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# COCHENOUR WILLANS

G O L D M I N E S , L I M I T E D

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ANNUAL REPORT



# COCHENOUR WILLANS GOLD MINES, LIMITED

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|--|--|
| <i>Directors</i>                           | EDWARD C. COCHENOUR, <i>Toronto, Ont.</i><br>J. EDWIN J. FAHLGREN, <i>Cochenour, Ont.</i><br>FREDERICK J. MILLS, <i>Hamilton, Ont.</i><br>MURDOCK C. MOSHER, <i>Toronto, Ont.</i><br>RICHARD E. SHIBLEY, <i>Q.C., Toronto, Ont.</i><br>SAMUEL J. ZACKS, <i>Toronto, Ont.</i> |
| <i>Officers</i>                            | E. C. COCHENOUR, <i>Chairman of the Board</i><br>J. E. J. FAHLGREN, <i>President</i><br>S. J. ZACKS, <i>Vice-President</i><br>F. J. MILLS, <i>Secretary-Treasurer</i><br>C. V. MALTBY, <i>C.A., Assistant Secretary</i>  |
| <i>General Manager</i>                     | J. E. J. FAHLGREN, <i>Cochenour, Ont.</i>  |
| <i>Mine Manager</i>                        | JOHN D. JEFFRIES, <i>B.Sc., P.Eng., Cochenour, Ont.</i>  |
| <i>Mine Consultant</i>                     | WALTER F. BROWN, <i>B.Sc., P.Eng., Toronto, Ont.</i>   |
| <i>Exploration Consultant</i>              | ALBERT A. KOFFMAN, <i>B.Sc., P.Eng., Winnipeg, Man.</i>  |
| <i>Registrar &amp;<br/>Transfer Agents</i> | EASTERN & CHARTERED TRUST COMPANY<br><i>1901 Yonge Street</i><br><i>Toronto 7, Ontario</i>   |
| <i>Bankers</i>                             | CANADIAN IMPERIAL BANK OF COMMERCE<br><i>Toronto and Balmertown, Ontario</i>   |
| <i>Auditors</i>                            | THORNE, MULHOLLAND, HOWSON & MCPHERSON<br><i>101 Richmond Street West</i><br><i>Toronto 1, Ontario</i>   |
| <i>Solicitors</i>                          | FRASER, BEATTY, TUCKER, MCINTOSH & STEWART<br><i>320 Bay Street</i><br><i>Toronto 1, Ontario</i>   |
| <i>Executive Office</i>                    | <i>Suite 1203</i><br><i>2200 Yonge Street</i><br><i>Toronto 12, Ont.</i>   |
| <i>Mine Office</i>                         | <i>Cochenour, Ontario</i>  |



# COCHENOUR WILLANS GOLD MINES, LIMITED

## *Report of the Directors*

The year 1966 was a difficult, testing year in the history of your mine. Operational adjustments and stabilization of rock conditions in the stoping areas were virtually completed at the year's end, and much effort continues to be expended to bring about the necessary speed and efficiency required in the mining process. Operating losses were recorded, both by your Company and its subsidiary Annco Mines Limited. The incompetent rock hosting the ore structures of the Annco mine presented a number of serious problems in the mining of its ore. Caving produced an excessive dilution of the ore grade. The method of mining had to be changed, and heavy timber for back support and hydraulic backfill was introduced to control rock movement. The situation is now under control and it is expected that the Annco operation will be on an economic basis before the end of 1967. The consolidated operations of the Company and its subsidiary Annco is expected to be on an economic basis even sooner.

This report for the year ended December 31st, 1966 includes the Balance Sheet, Statements of Income and Retained Earnings, and Statements of Source and Application of Funds consolidated with those of the subsidiary company, Annco Mines Limited, and the Auditors' Report thereon. In order to be able to compare these statements with previous Annual Reports, they also include the corresponding figures for the parent company

separately. Also included is the Report of the General Manager which sets out, comprehensively, details of the mine operations and developments and the exploration activities in which your company participated. The financial statements of the four subsidiaries of your company with the related Auditors' Reports are included also.

### Production and Income

Consolidated gross production for the year was \$1,271,944 from 33,646 ounces of gold and 1,958 ounces of silver, of which the parent company's production was \$690,274 and that of Annco Mines Limited \$581,670. Applications for Emergency Gold Mining Assistance have been made estimated to be \$187,555 for the parent company and \$158,156 for Annco Mines Limited.

Charges for use of plant services to Annco Mines Limited by the parent company was \$147,466.

### Earnings

Loss of the parent company before providing for Depreciation, Deferred Development and Exploration was \$104,079 and loss of Annco Mines Limited before amortization of Deferred Development was \$248,372.

One dividend of 4 cents per share was paid in June 1966 totalling \$143,386.

# COCHENOUR WILLANS GOLD MINES, LIMITED

## Annco Mines Limited

Annco Mines Limited officially came into production January 1st 1966. Our application claiming new mine status has been denied by the Department of National Revenue, on the basis that they regard Annco merely as an extension of the Cochenour Willans mine. The matter is being pursued by our legal counsel.

## Wilmar Mines Limited

Raise development in the No. 3 East Breccia zone from the 2050 level provided the most encouraging results in the 1966 exploration program. It is estimated the block contains 50,000 tons plus, grading 0.40 ounces gold per ton between the 2050 and 1900 horizons.

Preparations to drive the 1900 level to the east into the Breccia structure area in order that we can continue to develop the No. 3 East zone up dip, are completed. This project will proceed when miners are available and financial arrangements have been completed.

## Consolidated Marcus

Future work on the Consolidated Marcus property is deferred pending the results of a complete geological study of all information available and recommendations.

## Outside Exploration

The map included in this report shows the claim group holdings of your Company and its subsidiaries including the holdings of Cochenour

Explorations Limited. The exploration program of Cochenour Explorations Limited in the Red Lake mining division continues. This will consist mainly of diamond drilling during 1967.

## Outlook

With the operations in deficit during 1966, your directors had to consider the advisability of closing the mine. While the mining problems are great, they appear to be surmountable, and having a mine staff who feel confident the operation can be reversed to a profitable one, it was decided to follow this course, and we are pleased to say good progress is being made.

Many economies have been put into effect, and management has instituted substantial reductions in staff and personnel at the mine. Further economies are projected.

## Appreciation

Your Directors express their appreciation to the mine management and staff for their efforts and contribution through a very difficult year.

We express to the shareholders, our thanks for their continued loyalty, patience and confidence.

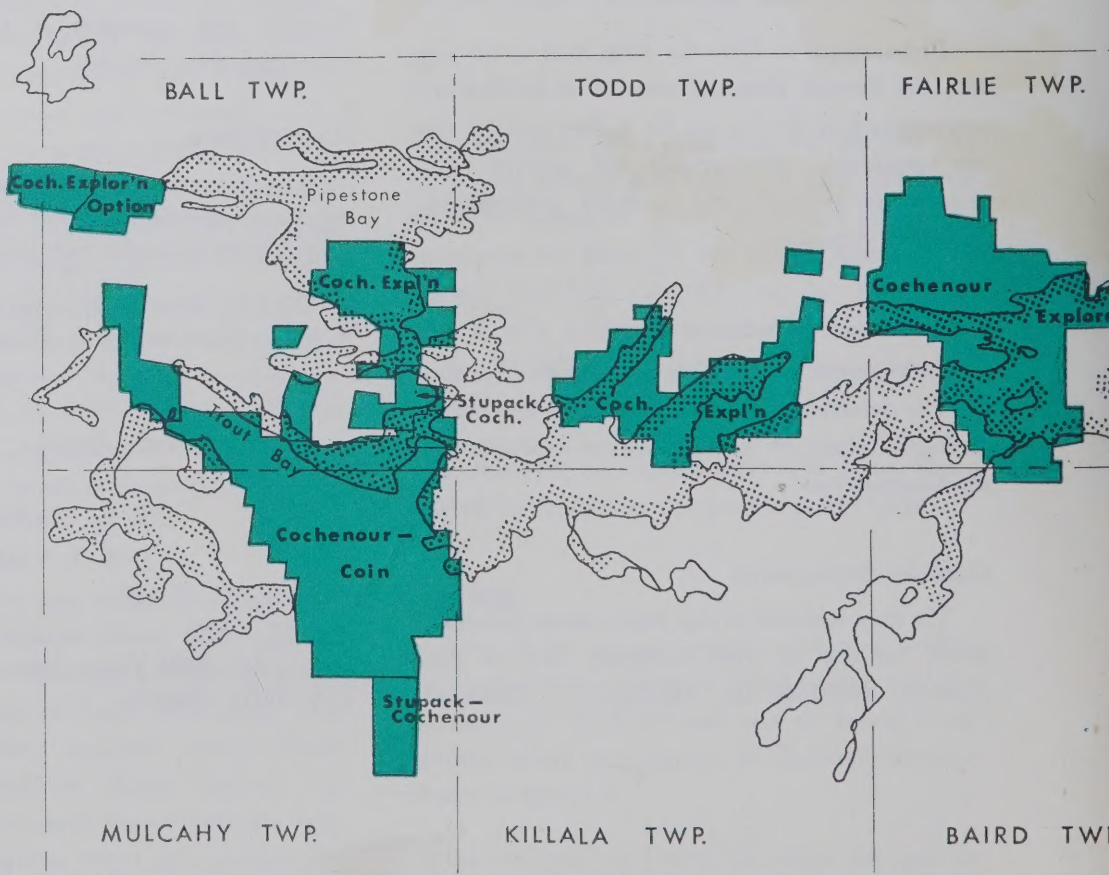
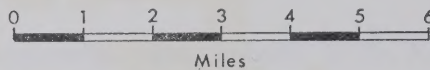
On behalf of the Board,

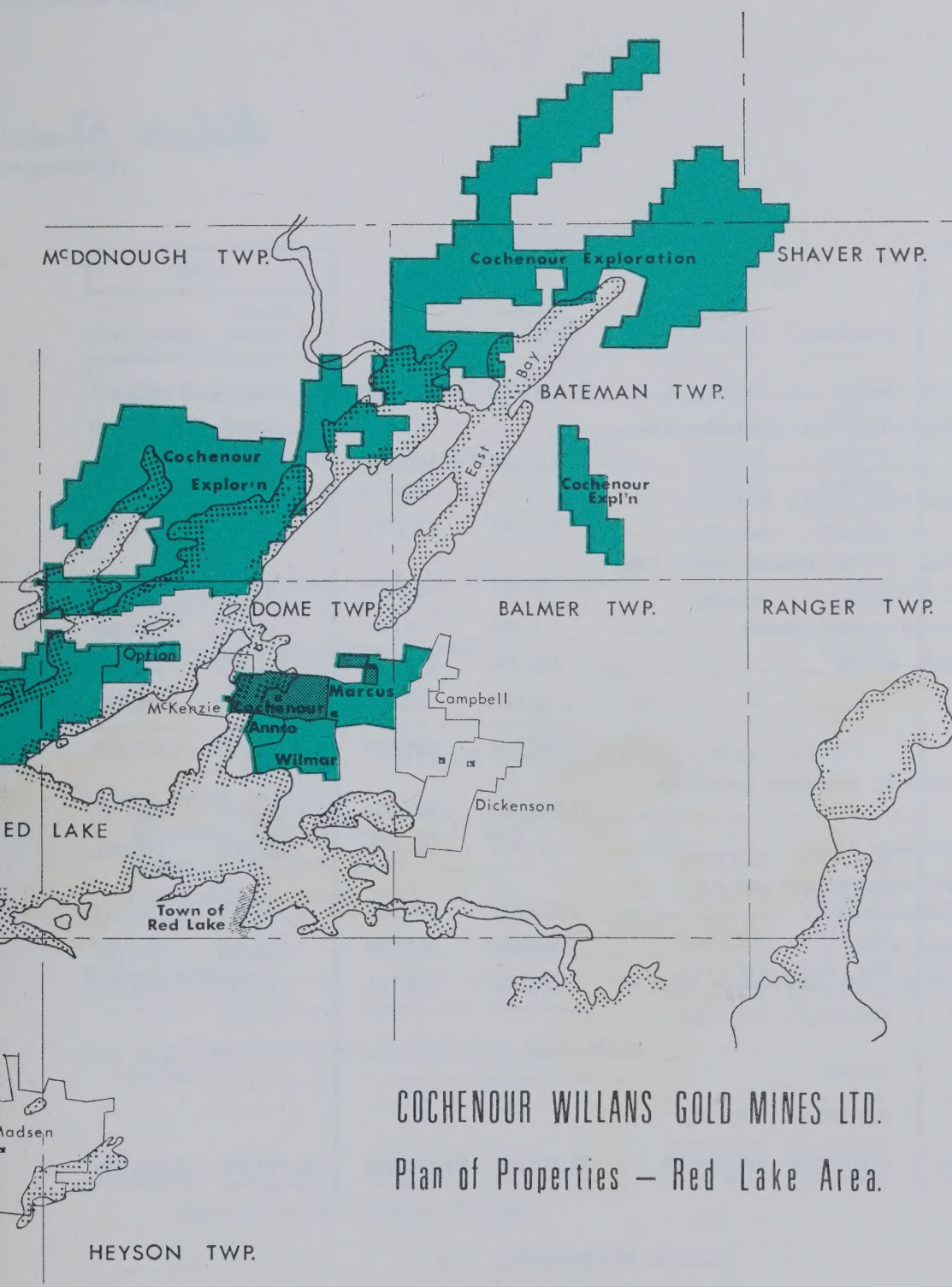
E. C. COCHENOUR, Chairman.

J. E. J. FAHLGREN, President.

May 15, 1967,  
Suite 1203, 2200 Yonge Street,  
TORONTO, Ontario.







COCHENOUR WILLANS GOLD MINES LTD.  
Plan of Properties — Red Lake Area.



# COCHENOUR WILLAM

(Incorporated under the laws of the State of Nevada)  
and its subsidiaries

## Balance Sheets

(With comparative figures for 1965)

### ASSETS

|   | 1966               |                    | 1965               |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | Parent Company     | Consolidated       | Parent Company     | Consolidated       |
| <b>CURRENT ASSETS:</b>  |                    |                    |                    |                    |
| Cash and bank deposit receipts .....  | \$ 100,000         | \$ 101,952         | \$ 634,511         | \$ 639,283         |
| Guaranteed investment receipts and short-term notes ..                                      |                    |                    | 400,000            | 435,000            |
| Bullion .....   | 149,304            | 149,304            | 105,662            | 105,662            |
| Estimated Emergency Gold Mining Assistance<br>receivable .....                              | 120,601            | 278,757            | 191,709            | 191,709            |
| Marketable securities, at cost (market value 1966,<br>\$40,068; 1965, \$46,613) .....       | 48,447             | 48,447             | 47,403             | 47,403             |
| Accounts receivable and accrued interest .....  | 6,097              | 6,097              | 42,271             | 42,283             |
| Materials and supplies, at cost .....   | 348,106            | 348,106            | 334,407            | 334,407            |
| Prepaid expenses .....  | 22,666             | 22,666             | 25,734             | 25,734             |
|   | <u>795,221</u>     | <u>955,329</u>     | <u>1,781,697</u>   | <u>1,821,481</u>   |
| Investment in and advances to subsidiary companies<br>(note 1) .....                        | 1,844,100          | 1,303,408          | 1,489,571          | 999,741            |
| Other investments, at cost (note 2) .....   | 104,961            | 104,961            | 109,961            | 109,961            |
| Buildings, machinery and equipment, at cost less<br>accumulated depreciation (note 3) ..... | 1,092,246          | 1,092,246          | 1,159,719          | 1,159,719          |
| Mining claims and licenses, at cost .....   | 250,426            | 308,759            | 250,426            | 308,759            |
| Deferred development, at cost less amortization (note 4)                                    | 172,301            | 574,171            | 179,219            | 695,691            |
|   | <u>\$4,259,255</u> | <u>\$4,338,874</u> | <u>\$4,970,593</u> | <u>\$5,095,352</u> |



# OLD MINES, LIMITED

(Incorporated in the Province of Ontario)

Annco Mines Limited

December 31, 1966

(Results for 1965)

## LIABILITIES

|   | 1966           |              | 1965           |              |
|---|----------------|--------------|----------------|--------------|
|   | Parent Company | Consolidated | Parent Company | Consolidated |
| <b>CURRENT LIABILITIES:</b>   |                |              |                |              |
| Bank loan and overdraft .....   | \$ 72,898      | \$ 72,898    |                |              |
| Accrued wages .....   | 58,302         | 58,302       | \$ 55,011      | \$ 55,011    |
| Accounts payable and accrued liabilities .....                          | 165,337        | 167,679      | 215,270        | 215,850      |
| Deposits by employees on houses .....                                   | 100,816        | 100,816      | 98,451         | 98,451       |
|   | 397,353        | 399,695      | 368,732        | 369,312      |
| Accumulated tax reductions applicable to future years<br>(note 5) ..... | 188,000        | 188,000      | 299,600        | 299,600      |
| Minority interest in Annco Mines Limited .....                          |                | 164,061      |                | 240,650      |

## SHAREHOLDERS' EQUITY

### CAPITAL STOCK (note 6):

|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| Authorized, 4,000,000 shares of \$1 each                                     |                    |                    |                    |                    |
| Issued, 3,584,655 shares .....   | 3,584,655          | 3,584,655          | 3,584,655          | 3,584,655          |
| Deduct discount thereon (net) .....  | 1,028,445          | 1,028,445          | 1,028,445          | 1,028,445          |
|  | 2,556,210          | 2,556,210          | 2,556,210          | 2,556,210          |
| Retained earnings .....  | 1,117,692          | 1,117,692          | 1,746,051          | 1,754,227          |
|  | 3,673,902          | 3,673,902          | 4,302,261          | 4,310,437          |
| Less equity contributed to minority interest in Annco Mines<br>Limited ..... |                    | 86,784             |                    | 124,647            |
|  | 3,673,902          | 3,587,118          | 4,302,261          | 4,185,790          |
|  | <u>\$4,259,255</u> | <u>\$4,338,874</u> | <u>\$4,970,593</u> | <u>\$5,095,352</u> |

Approved by the Board of Directors:

E. C. COCHENOUR, Director.

J. E. J. FAHLGREN, Director.

**COCHENOUR WILLANS GOLD MINES, LIMITED**  
and its subsidiary, Annco Mines Limited

*Statements of Source and Application of Funds (cont.)*

YEAR ENDED DECEMBER 31, 1966

(With comparative figures for 1965)

|   | 1966              |                   | 1965               |                    |
|---|-------------------|-------------------|--------------------|--------------------|
|   | Parent Company    | Consolidated      | Parent Company     | Consolidated       |
| APPLICATION OF FUNDS:   |                   |                   |                    |                    |
| To operations:  |                   |                   |                    |                    |
| Loss for year .....   | 590,200           | 590,200           |                    |                    |
| Minority interest in loss of Annco Mines Limited .....        |                   | 163,172           |                    |                    |
|   | <u>590,200</u>    | <u>753,372</u>    |                    |                    |
| DEDUCT:   |                   |                   |                    |                    |
| Depreciation .....  | 192,742           | 192,742           |                    |                    |
| Amortization of deferred development .....                    | 48,054            | 162,656           |                    |                    |
| Parent company's portion of loss of Annco Mines Limited ..... | 199,802           |                   |                    |                    |
|   | <u>440,598</u>    | <u>355,398</u>    |                    |                    |
| Funds applied to operations .....                             | 149,602           | 397,974           |                    |                    |
| Development expenditures incurred for shares:                 |                   |                   |                    |                    |
| Consolidated Marcus Gold Mines Limited .....                  | 22,953            | 22,953            | 27,371             | 27,371             |
| Wilmar Mines Limited .....                                    | 19,940            | 57,440            | 248,155            | 248,155            |
| Annco Mines Limited .....                                     |                   |                   | 191,204            |                    |
| Cochenour Explorations Limited .....                          | 88,998            | 88,998            | 32,437             | 32,437             |
| Dividends paid .....  | 143,386           | 143,386           | 334,066            | 334,066            |
| Additions to buildings, machinery and equipment .....         | 125,270           | 125,270           | 255,220            | 255,220            |
| Deferred development .....                                    | 41,135            | 41,135            | 199,132            | 433,380            |
| Advances:   |                   |                   |                    |                    |
| Consolidated Marcus Gold Mines Limited .....                  | 1,700             | 1,700             | 2,025              | 2,025              |
| Wilmar Mines Limited .....                                    | 77,158            | 77,158            | 6,878              | 6,878              |
| Annco Mines Limited .....                                     | 336,098           |                   | 9,832              |                    |
| Shares acquired for cash:                                     |                   |                   |                    |                    |
| Wilmar Mines Limited .....                                    |                   | 55,414            |                    |                    |
| Cochenour Explorations Limited .....                          | 4                 | 4                 |                    |                    |
| Exchange of bonds deposited under power contract (net) .....  |                   |                   | 749                | 749                |
| Adjustment of prior years' pension costs .....                | 13,853            | 13,853            |                    |                    |
|   | <u>1,020,097</u>  | <u>1,025,285</u>  | <u>1,307,069</u>   | <u>1,340,281</u>   |
| INCREASE (DECREASE) IN WORKING CAPITAL .....                  | (1,015,097)       | (896,535)         | 809,881            | 841,580            |
| WORKING CAPITAL AT BEGINNING OF YEAR .....                    | 1,412,965         | 1,452,169         | 603,084            | 610,589            |
| WORKING CAPITAL AT END OF YEAR .....                          | <u>\$ 397,868</u> | <u>\$ 555,634</u> | <u>\$1,412,965</u> | <u>\$1,452,169</u> |
| Current assets .....  | 795,221           | 955,329           | 1,781,697          | 1,821,481          |
| Current liabilities .....                                     | 397,353           | 399,695           | 368,732            | 369,312            |
|   | <u>\$ 397,868</u> | <u>\$ 555,634</u> | <u>\$1,412,965</u> | <u>\$1,452,169</u> |



**COCHENOUR WILLANS GOLD MINES, LIMITED**  
and its subsidiary, Annco Mines Limited

*Notes to Financial Statements*

YEAR ENDED DECEMBER 31, 1966

**1. INVESTMENT IN AND ADVANCES TO SUBSIDIARY COMPANIES:**

Parent company:

|  | <u>1966</u>     | <u>1965</u>     |
|--|-----------------|-----------------|
| Shares, at cost less provision for loss:                   |                 |                 |
| Consolidated Marcus Gold Mines Limited .....               | \$ 81,784       | \$ 58,830       |
| Wilmar Mines Limited .....                                 | 889,995         | 870,056         |
| Annco Mines Limited .....                                  | 479,998         | 479,998         |
| Cochenour Explorations Limited .....                       | 121,439         | 32,437          |
|  | <hr/> 1,573,216 | <hr/> 1,441,321 |
| Deduct provision for loss (net), Annco Mines Limited ..... | 192,322         |                 |
|  | <hr/> 1,380,894 | <hr/> 1,441,321 |

Advances:

|  |                          |                          |
|--|--------------------------|--------------------------|
| Consolidated Marcus Gold Mines Limited ..... | 33,240                   | 31,540                   |
| Wilmar Mines Limited .....                   | 84,036                   | 6,878                    |
| Annco Mines Limited .....                    | 345,930                  | 9,832                    |
|  | <hr/> 463,206            | <hr/> 48,250             |
|  | <hr/> <u>\$1,844,100</u> | <hr/> <u>\$1,489,571</u> |

Consolidated:

|  | <u>1966</u>     | <u>1965</u>   |
|--|-----------------|---------------|
| Shares, at cost:                             |                 |               |
| Consolidated Marcus Gold Mines Limited ..... | \$ 81,784       | \$ 58,830     |
| Wilmar Mines Limited .....                   | 982,909         | 870,056       |
| Cochenour Explorations Limited .....         | 121,439         | 32,437        |
|  | <hr/> 1,186,132 | <hr/> 961,323 |

Advances:

|  |                          |                         |
|--|--------------------------|-------------------------|
| Consolidated Marcus Gold Mines Limited ..... | 33,240                   | 31,540                  |
| Wilmar Mines Limited .....                   | 84,036                   | 6,878                   |
|  | <hr/> 117,276            | <hr/> 38,418            |
|  | <hr/> <u>\$1,303,408</u> | <hr/> <u>\$ 999,741</u> |

It is not considered desirable to consolidated the accounts of Consolidated Marcus Gold Mines Limited, Wilmar Mines Limited and Cochenour Explorations Limited with those of the company as they are non-operating and have substantial minority interests.

**COCHENOUR WILLANS GOLD MINES, LIMITED**  
and its subsidiary, Annco Mines Limited

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**CONSOLIDATED MARCUS GOLD MINES LIMITED:**

Under the terms of an agreement dated January 17, 1966, the company is committed to expend \$25,020 (of which \$20,563 had been expended as at December 31, 1966) on exploration and development of the property of Consolidated Marcus Gold Mines Limited within approximately one year, for which it is to receive 41,700 shares of the company.

As at December 31, 1966 the company owned or was entitled to receive 1,773,272 free shares of Consolidated Marcus Gold Mines Limited and a further 249,995 shares held in escrow, to be released when the company has caused Consolidated Marcus Gold Mines to bring its mining claims into production. Of the aforementioned 1,773,272 free shares, 17,000 are under option to employees of the company at a price of 50¢ per share.

**WILMAR MINES LIMITED:**

Under the terms of exploration and development agreements the company and its subsidiary, Annco Mines Limited received 80,000 shares of Wilmar Mines Limited for expenditures of \$100,000 on the property of that company as follows:

|   | 1966             | 1965             |
|---|------------------|------------------|
| Cochenour Willans Gold Mines, Limited ..... | \$ 19,940        | \$ 42,560        |
| Annco Mines Limited .....                   | 37,500           |                  |
| Consolidated .....                          | <u>\$ 57,440</u> | <u>\$ 42,560</u> |

As at December 31, 1966 the company and its subsidiary, Annco Mines Limited, owned 1,674,331 shares of Wilmar Mines Limited, of which 1,600,000 shares were owned by the company.

**COCHENOUR EXPLORATIONS LIMITED:**

Under the terms of an exploration and development agreement the company expended \$105,000 (1966, \$88,998; 1965, \$16,002) on the properties of Cochenour Explorations Limited for which it received 105,000 shares of that company.

Under the terms of an agreement dated January 21, 1966 the company is committed to loan monies up to a maximum of \$127,500 to Cochenour Explorations Limited should the board of directors of Cochenour Explorations Limited determine that the exploration properties warrant the expenditure of additional monies in searching for minerals. Loans would be requested from the shareholders of Cochenour Explorations Limited in proportion to their shareholdings. Default on such a request could result in the forfeiture of all the company's shares in Cochenour Explorations Limited.

As at December 31, 1966, the company owned 255,000 shares of Cochenour Explorations Limited.

**2. OTHER INVESTMENTS:**

|   | 1966              | 1965              |
|---|-------------------|-------------------|
| Coin Lake Gold Mines Limited .....  | \$ 43,311         | \$ 43,311         |
| Improvement District of Balmertown 5½% debentures maturing<br>1967-1976 ..... | 33,000            | 38,000            |
| Bonds deposited under power contract .....                                    | 9,925             | 9,925             |
| Miscellaneous .....   | 18,725            | 18,725            |
|   | <u>\$ 104,961</u> | <u>\$ 109,961</u> |



**COCHENOUR WILLANS / GOLD MINES, LIMITED**  
and its subsidiary, Annco Mines Limited

**NOTES TO FINANCIAL STATEMENTS (Cont.)**

|   |                    |                    |
|---|--------------------|--------------------|
| <b>3. BUILDINGS, MACHINERY AND EQUIPMENT:</b> | <u>1966</u>        | <u>1965</u>        |
| Buildings .....                               | \$1,962,446        | \$1,916,186        |
| Less accumulated depreciation .....           | 1,384,481          | 1,292,488          |
|   | <u>577,965</u>     | <u>623,698</u>     |
| Machinery and equipment .....                 | 1,952,914          | 1,889,207          |
| Less accumulated depreciation .....           | 1,438,633          | 1,353,186          |
|   | <u>514,281</u>     | <u>536,021</u>     |
|   | <u>\$1,092,246</u> | <u>\$1,159,719</u> |
| <br><b>4. DEFERRED DEVELOPMENT:</b>           |                    |                    |
| Parent company:                               | <u>1966</u>        | <u>1965</u>        |
| Cost .....                                    | \$ 240,268         | \$ 199,132         |
| Less amortization .....                       | 67,967             | 19,913             |
|   | <u>\$ 172,301</u>  | <u>\$ 179,219</u>  |
| <br>Consolidated:                             |                    |                    |
| Cost .....                                    | \$ 785,332         | \$ 744,196         |
| Less amortization .....                       | 211,161            | 48,505             |
|   | <u>\$ 574,171</u>  | <u>\$ 695,691</u>  |

**5. ACCUMULATED TAX REDUCTIONS APPLICABLE TO FUTURE YEARS:**

The balance of accumulated tax reductions applicable to future years represents the accumulated amount of taxes deferred to those future years when deductions allowable for tax purposes may be less than depreciation recorded in the accounts.

**6. CAPITAL STOCK:**

An option to purchase 15,000 shares of the capital stock of the company at the price of \$2.50 per share is outstanding to an officer of the company. The option expires June 30, 1967.

# COCHENOUR WILLANS GOLD MINES, LIMITED

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## *Auditors' Report*

To the Shareholders of  
Cochenour Willans Gold Mines, Limited

We have examined the balance sheets of Cochenour Willans Gold Mines, Limited, parent company, and of Cochenour Willans Gold Mines, Limited and its subsidiary Annco Mines Limited as at December 31, 1966 and the related statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of Cochenour Willans Gold Mines, Limited and of that company and its subsidiary, Annco Mines Limited, as at December 31, 1966 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants.

Toronto, Canada,  
March 28, 1967.



# COCHENOUR WILLANS GOLD MINES, LIMITED

## *Report of the General Manager*

To the Chairman of the Board and Directors,  
Cochenour Willans Gold Mines Limited,  
TORONTO, Ontario.

Gentlemen:

This consolidated report covering operations of your company and its partially owned subsidiary, Annco Mines Limited, for the year 1966 is submitted for your consideration.

Operational adjustments involving complete retraining of both men and supervision to the acceptance of the merits of cut-and-fill mining were accomplished during the year. By changing the method of mining we have been able to bring the mine under control and operate in a safe manner, but much is still to be achieved with respect to speed and efficiency.

The change over in the Annco operations was a slow process and it has taken far more time to recover collapsed stopes and to stabilize ground conditions with supporting timber and fill due to the incompetency of the rock, than normally anticipated. To meet the emergency it was necessary to place our most experienced and qualified miners in the Annco operations. At the same time ten timbering crews had to be trained. In the circumstances Annco could not produce the expected mill tonnage for our new mill capacity. We had to resort to the mining of lower grade chert and north/south vein ores which were quickly accessible, using less experienced and new men. The grade of these ores has not been sufficient to combat the increase in costs.

### PRODUCTION

106,746 tons ore were milled producing 33,645.830 fine ounces of gold and 1,957.640 fine ounces of silver. The total value of this bullion was \$1,271,944 for an average recovery of \$12.10 per ton milled. The price received for gold averaged \$37.73 Canadian per fine ounce and for silver \$1.39 per ounce. All bullion was shipped to the Royal Canadian Mint.

Your company and its subsidiary qualified for Emergency Gold Mining Assistance. Total income estimated to be received under the provisions of this Act is \$345,711 or \$10.27 per ounce of gold.

The actual production and estimate of E.G.M.A. income for each mine is as follows:

|                         | <u>Tons</u>    | <u>Gold Ounces</u> | <u>Silver Ounces</u> | <u>Total Value</u>     |
|-------------------------|----------------|--------------------|----------------------|------------------------|
| Cochenour Willans ..... | 64,613         | 18,253.503         | 1,171.60             | \$ 690,274.43          |
| Annco .....             | 42,133         | 15,392.327         | 786.04               | 581,670.04             |
|                         | <u>106,746</u> | <u>33,645.830</u>  | <u>1,957.64</u>      | <u>\$ 1,271,944.47</u> |

### E.G.M.A. (Cost-Aid)

|                         |                      |
|-------------------------|----------------------|
| Cochenour Willans ..... | \$ 187,554.74        |
| Annco .....             | 158,156.15           |
|                         | <u>\$ 345,710.89</u> |

### All Time Production

|                         | <u>Period</u> | <u>Tons</u>      | <u>Grade</u>     | <u>Value</u>        |
|-------------------------|---------------|------------------|------------------|---------------------|
| Cochenour Willans ..... | 1939-1966     | 1,966,806        | .559             | \$39,962,183        |
| Annco .....             | 1965-1966     | 52,186           | .394             | 777,934             |
|                         |               | <u>2,018,992</u> | <u>.555 Ozs.</u> | <u>\$40,740,117</u> |

During the year 158,483 tons were hoisted, of which 64,613 tons were ore from Cochenour and 42,133 tons were ore from Annco. The balance of 51,575 tons was development waste.

# COCHENOUR WILLANS GOLD MINES, LIMITED

The 1966 operating year experienced a drastic increase in operating costs brought on by the rock problems referred to above and in its wake came the need for complete stabilization of ground conditions in the stoping areas, which in turn necessitated conversion of mining methods, retraining of personnel, greatly increased use of timber for support, hydraulic backfill to be supplied by the mill and supplemented by sand which had to be trucked from the surface pit.

Introduction of the 40 hour week, higher wage rates, job training due to the shortage of experienced miners, and the continuing inflation affecting cost of materials and supplies contributed to further substantial cost increases. Adjustments in insurance and medical plans and introduction of the Canada Pension plan were other items affecting costs. To settle the talcose ores in the milling circuit, additional reagents had to be introduced.

## SCHEDULES OF OPERATING COSTS

|                                    | 1966               |                   |                  | 1965              |
|------------------------------------|--------------------|-------------------|------------------|-------------------|
|                                    | Total              | Per<br>Ton Milled | Per<br>Ounce     | Per<br>Ton Milled |
| <b>COCHENOUR OPERATION</b>         |                    |                   |                  |                   |
| Tons Milled, 64,613                |                    |                   |                  |                   |
| Development .....                  | \$ 307,371         | \$ 4.757          | \$ 16.839        | \$ 3.566          |
| Mining .....                       | 415,540            | 6.431             | 22.765           | 6.384             |
| Milling .....                      | 221,341            | 3.426             | 12.126           | 2.999             |
| General and Administrative .....   | 212,149            | 3.283             | 11.622           | 2.741             |
| Marketing .....                    | 5,302              | .082              | .290             | .116              |
| <b>TOTAL OPERATING COSTS</b> ..... | <b>\$1,161,703</b> | <b>\$ 17.979</b>  | <b>\$ 63.642</b> | <b>\$ 15.806</b>  |
| Deduct Est. E.G.M.A. ....          | 187,555            | 2.903             | 10.275           | 4.277             |
| <b>NET OPERATING COSTS</b> .....   | <b>\$ 974,148</b>  | <b>\$ 15.076</b>  | <b>\$ 53.367</b> | <b>\$ 11.529</b>  |
| <b>ANNCO OPERATION</b>             |                    |                   |                  |                   |
| Tons Milled, 42,133                |                    |                   |                  |                   |
| Development .....                  | \$ 142,925         | \$ 3.392          | \$ 9.285         | \$ —              |
| Mining .....                       | 443,219            | 10.520            | 28.795           | 5.825             |
| Milling .....                      | 144,332            | 3.426             | 9.377            | 3.033             |
| General and Administrative .....   | 107,441            | 2.550             | 6.980            | 2.699             |
| Marketing .....                    | 4,590              | .108              | .298             | .145              |
| <b>TOTAL OPERATING COSTS</b> ..... | <b>\$ 842,507</b>  | <b>\$ 19.996</b>  | <b>\$ 54.735</b> | <b>\$ 11.702</b>  |
| Deduct Est. E.G.M.A. ....          | 158,156            | 3.754             | 10.275           | —                 |
| <b>NET OPERATING COSTS</b> .....   | <b>\$ 684,351</b>  | <b>\$ 16.242</b>  | <b>\$ 44.460</b> | <b>\$ 11.702</b>  |

## MINE DEVELOPMENT:

The year provided extensions into the west carbonate zones on the 1925 and 2050 levels. The development of these carbonate ores on the lower horizons was deemed particularly important as the down dip extension of this west carbonate had appeared to be cut off by faulting at the 16th level.

Development on the Annco was down substantially from previous years because as mentioned in last year's report essentially all the oreblocks on the Annco above the 2050 level had been developed for mining at the end of 1965. A long crosscut on the 2200 level was driven to provide access to the Annco mine and the west area ore zones.

Raising in the talc ores has had to be discontinued due to spalling and the loose ground conditions which follow. Future development of the ore zones in this incompetent rock will be done without raise openings whereby cut-and-fill mining is established from sub drifts, with timber support and auxiliary forced ventilation provided.



# COCHENOUR WILLANS GOLD MINES, LIMITED

The following table outlines the work completed during the year:

| Levels                             | Drifts       | Crosscuts    | Raises       | Totals        |
|------------------------------------|--------------|--------------|--------------|---------------|
| 375 .....                          | —            | —            | 7            | 7             |
| 475 .....                          | —            | —            | 6            | 6             |
| 975 .....                          | 520          | —            | 67           | 587           |
| 1175 .....                         | 104          | —            | 188          | 292           |
| 1300 .....                         | —            | 130          | 120          | 250           |
| 1425 .....                         | —            | —            | 7            | 7             |
| 1550 .....                         | —            | —            | 276          | 276           |
| 1675 .....                         | 605          | —            | 219          | 824           |
| 1800 .....                         | 193          | 269          | 301          | 763           |
| 1925 .....                         | 1,820        | —            | 423          | 2,243         |
| 2050 .....                         | 722          | 194          | 252          | 1,168         |
| 2200 .....                         | 78           | 1,798        | —            | 1,876         |
| <b>TOTAL COCHENOUR</b> .....       | <b>4,042</b> | <b>2,391</b> | <b>1,866</b> | <b>8,299</b>  |
| 1675 Annco .....                   | 58           | —            | —            | 58            |
| 1800 Annco .....                   | —            | —            | 129          | 129           |
| 1925 Annco .....                   | 21           | —            | 479          | 500           |
| 2050 Annco .....                   | 140          | —            | 393          | 533           |
| 2200 Annco .....                   | 166          | 419          | —            | 585           |
| <b>TOTAL ANNCO</b> .....           | <b>385</b>   | <b>419</b>   | <b>1,001</b> | <b>1,805</b>  |
| 1300 Wilmar .....                  | 1,436        | —            | 423          | 1,859         |
| 2050 Wilmar .....                  | 494          | —            | 340          | 834           |
| <b>TOTAL WILMAR</b> .....          | <b>1,930</b> | <b>—</b>     | <b>763</b>   | <b>2,693</b>  |
| <b>DEFERRED DEVELOPMENT:</b>       |              |              |              |               |
| 2348 Ore Pass .....                | —            | —            | 60           | 60            |
| 2348 Waste Pass .....              | —            | —            | 24           | 24            |
| 2348 Station .....                 | —            | —            | 5            | 5             |
| <b>TOTAL DEFERRED</b> .....        | <b>—</b>     | <b>—</b>     | <b>89</b>    | <b>89</b>     |
| <b>TOTAL ALL DEVELOPMENT</b> ..... | <b>6,357</b> | <b>2,810</b> | <b>3,719</b> | <b>12,886</b> |

## DEVELOPMENT COMPARISON:

|                                      | 1966          | 1965          | 1964          | 1963          | 1962          |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Cochenour Drifting .....             | 4,042         | 4,348         | 7,400         | 7,041         | 7,140         |
| Cochenour Crosscutting .....         | 2,391         | 2,547         | 2,475         | 2,426         | 1,101         |
| Cochenour Raising .....              | 1,866         | 3,221         | 6,104         | 5,026         | 4,573         |
| Cochenour Deferred Development ..... | 89            | 2,592         | 38            | 1,046         | 358           |
| Annco Drifting .....                 | 385           | 1,879         | 2,696         | —             | —             |
| Annco Crosscutting .....             | 419           | 881           | 539           | 1,534         | —             |
| Annco Raising .....                  | 1,001         | 2,451         | 1,163         | —             | —             |
| Wilmar Drifting .....                | 1,930         | 2,580         | —             | —             | —             |
| Wilmar Crosscutting .....            | —             | 492           | 1,584         | 1,265         | 778           |
| Wilmar Raising .....                 | 763           | 730           | —             | —             | —             |
| Wilmar Stations .....                | —             | 95            | —             | —             | —             |
| Marcus .....                         | —             | —             | 295           | 4,322         | 4,234         |
|                                      | <u>12,886</u> | <u>21,816</u> | <u>22,294</u> | <u>22,660</u> | <u>18,184</u> |

# COCHENOUR WILLANS GOLD MINES, LIMITED

| <b>DIAMOND DRILLING:</b>    | 1966          | 1965           | 1964           | 1963           | 1962           |
|-----------------------------|---------------|----------------|----------------|----------------|----------------|
| Cochenour Underground ..... | 56,395        | 57,463         | 68,270         | 89,720         | 85,251         |
| Cochenour Surface .....     | —             | 7,531          | 2,930          | 6,903          | —              |
| Cochenour Backfill .....    | 2,507         | —              | —              | —              | —              |
| Anncos Underground .....    | 11,546        | 26,580         | 41,796         | 4,590          | —              |
| Wilmar Underground .....    | 18,734        | 18,871         | 9,839          | 24,992         | 25,042         |
| Wilmar Surface .....        | —             | —              | —              | 11,822         | —              |
| Marcus Underground .....    | 2,899         | 8,042          | 21,272         | —              | —              |
| Marcus Surface .....        | 2,005         | —              | —              | —              | —              |
|                             | <u>94,086</u> | <u>118,487</u> | <u>144,107</u> | <u>138,027</u> | <u>110,293</u> |

## DIAMOND DRILLING EXPLORATION:

The property breakdown on the diamond drilling footages is set out in the preceding table. A decrease in the total footage drilled, compared with the totals of the four preceding years is particularly reflected in the Anncos and Marcus properties. Planned exploration drilling on the Cochenour and Anncos will require an estimated 70,000 feet during the 1967 calendar year.

On the Cochenour Willans property, the diamond drilling programs have been directed at the search for faulted ore blocks around past stoping areas, at exploring and evaluating the extensive footwall chert and North/South vein structures, and exploring for down dip and along strike extensions of the West Area Carbonate Structures. Diamond drilling programs of this type will be continued during 1967.

On the Anncos property much of the drilling was directed at blocking out and searching for ore extensions in areas of indicated ore above the 2050 level horizon. Some diamond drilling was also conducted from the newly developed 2200 level horizon.

## MINING:

The following table sets out the various mine areas from which ore was drawn for mill feed during the year.

| <b>MINE SOURCE OF ORE</b>           |                |                     |                  |
|-------------------------------------|----------------|---------------------|------------------|
|                                     | <u>Tons</u>    | <u>% Total Tons</u> | <u>Grade</u>     |
| <b>COCHENOUR</b>                    |                |                     |                  |
| South Area Chert .....              | 1,533          | 1.4                 | .226             |
| West Area .....                     | 49,269         | 46.2                | .319             |
| West Carbonate Area .....           | 10,555         | 9.9                 | .331             |
| Other Development .....             | 3,256          | 3.0                 | .259             |
| Total Cochenour .....               | <u>64,613</u>  | <u>60.5</u>         | <u>.316</u>      |
| <b>ANNCOS MINE</b> .....            | <u>42,133</u>  | <u>39.5</u>         | <u>.404</u>      |
| <b>TOTAL Cochenour/Anncos</b> ..... | <u>106,746</u> | <u>100.0%</u>       | <u>.351 Ozs.</u> |

The Cochenour mill feed was supplied from the mining of 77 stopes which produced 55,973 tons of ore averaging 0.32 ounces gold per ton and from 41 development headings which produced 5,384 tons of ore averaging 0.21 ounces gold per ton.

The Anncos mill feed was supplied from the mining of 25 stopes which produced 39,682 tons of ore averaging 0.41 ounces gold per ton and from 14 development headings which produced 2,451 tons of ore averaging 0.27 ounces gold per ton.

## THE COCHENOUR SOUTH AREA:

Mining of chert structures in this area was limited to a few development headings and some clean up stoping operations. All the work was conducted from the 10th to 14th levels.

# COCHENOUR WILLANS GOLD MINES, LIMITED

Some stoping attempts are currently being conducted on short faulted blocks of chert which were developed by drifts on the 15th and 16th levels.

## THE COCHENOUR WEST AREA:

This area continues to be an important source of mill feed muck. Production in 1966 consisted of 49,269 tons of ore averaging 0.319 ounces gold per ton, compared to the previous year's production of 47,100 tons of ore averaging 0.44 ounces gold per ton. Of the 49,269 tons of ore drawn, some 17,500 tons, averaging 0.44 ounces gold per ton was produced from mining remnant ore structures in the main West Zone and from clean up operations. The balance of the production was drawn from the footwall Chert and North/South vein structures, which averaged 0.26 ounces gold per ton for 31,769 tons.

Mining operations in the footwall Cherts and North/South vein structures were started to provide the extra mill feed for the increased milling capacity up from 300 to 400 tons per day. Tonnage production and grade from these low grade structures have met original expectations. As Annco production failed to reach the anticipated 150 to 200 tons per day, additional mill feed was drawn from the low grade footwall structures to maintain capacity milling rates. This resulted in an overall lowering of the grade of ore drawn from the West Area during 1966.

Exploration and development of the footwall structures is being continued with new ore developments keeping pace with mining production.

## THE COCHENOUR WEST CARBONATE AREA:

Mining operations in this area produced 10,555 tons of ore, averaging 0.331 ounces gold per ton compared to the previous year's production of 35,225 tons of ore averaging 0.41 ounces gold per ton. The majority of this production came from continued mining in the 15th to 18th level stoping areas. The lower tonnage and grade reflects the depletion of these ore blocks and the remnant type of mining being conducted.

Exploration and development was successful in locating down faulted blocks of the carbonate structure on the 19th and 20th levels. To date mining operations on these new ore blocks has produced muck grading 0.25 to 0.30 ounces gold per ton. Some higher grade sections have been encountered, but they have been erratic in distribution, resulting in an overall reduction in grade.

Exploration for additional Carbonate extensions will continue as this area has considerable potential.

## THE ANNCO MINE:

Annco production during 1966 was 42,133 tons of ore averaging 0.404 ounces gold per ton. To the end of 1966 Annco had produced 52,186 tons of ore averaging 0.45 ounces gold per ton, which is below the estimated grade of 0.52 estimated for the original 150,000 tons of ore indicated on the Annco above the 2050 level, and below the anticipated grade of 0.60 ounces gold per ton. As mining proceeded exceptionally poor ground conditions developed, which proved to be far more serious than originally indicated, and subsequent caving caused a heavy dilution of the ore.

The Annco mine has, therefore, been faced with an exceptionally high mining cost arising from expensive ground support to stabilize the stoping areas. The use of large amounts of heavy timber as well as backfill is necessary to satisfactorily support the ground. Instead of an anticipated profit from this operation in 1966, the mine suffered a substantial operating loss. Hydraulic backfill combined with timber back support is now proving successful and given reasonable ore structure continuity, future mining is anticipated to produce an overall average grade of between 0.50 and 0.60 ounces gold per ton.

The daily tonnage from Annco averaged 115 tons, which rate fell short of the projected 150 to 200 tons per day rate, and this reduced rate will continue until additional stopes are stabilized with timber support and backfill. The rate of 150 tons per day should be attained by mid 1967.

During 1966 development footage totalled 1,805 feet, consisting of 385 feet of drifting, 419 feet of crosscutting and 1,001 feet of raising. All required development and exploration drilling has virtually been completed above the 2050 level.

The 2200 level crosscut from the Cochenour No. 1 Shaft was completed and subsequent drifting reached the indicated ore zones. The ore structures were located on the 2200 horizon by diamond drilling



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and drift development is continuing. Several stopes have now been established and are currently being mined. Cut-and-fill mining, supplemented with extra timber support to control ground conditions on this new horizon is proving more successful in controlling dilution from the outset.

Recent diamond drill exploration below the 2200 level has encountered ore values in down dip extensions of the main talc shear structures. A drift into the hanging wall of the ore structures on the 2200 horizon is planned to provide a diamond drill station to explore for depth extensions.

On the 2050 level an extension of the Cochenour Carbonate structure was located on the Annco, and mining is underway on it. Carbonate ore tonnage potential on this level appears limited, but exploration for down dip extensions will be undertaken.

## MILLING AND METALLURGY:

The mill extension was completed and tonnage at the rate of 400 tons per day was attained in November. With the exception of minor changes, the newly developed circuit operated smoothly and with satisfaction. A slight increase over 400 tons per day has proven to be possible.

In the past it was the practice to cyanide only the coarse portion of the flotation tails due to limited capacity. The mill circuit has now been arranged to treat all the ore milled by cyanidation.

The characteristics of the ore have not altered. We have the same refractory material, with all the inherent resistances and reluctance associated with the talc ore. Percentage recovery is down due to a lower grade of ore.

Due to the comprehensive plan for backfill underground it was necessary to combine surface pit sand with separated mill sand tailing to fulfill that need. Sufficient mill backfill is now produced for normal underground operations.

Results of the milling operations are set out below with comparative figures of the preceding year.

|                                      | 1966    | 1965    |
|--------------------------------------|---------|---------|
| Tons Milled .....                    | 106,746 | 103,670 |
| % Operating Time of Total Time ..... | 93.10%  | 98.69%  |
| Average Daily Tons Milled .....      | 292     | 284     |
| Average Gold Assay of Head           |         |         |
| Troy Ounces .....                    | 0.353   | 0.472   |
| Average Gold Assay of Tails          |         |         |
| Troy Ounces .....                    | 0.038   | 0.047   |
| Percentage Extraction .....          | 89.33%  | 90.19%  |

## CAPITAL EXPENDITURES:

Net Mine Capital Expenditures for the year totalled \$125,270 of which \$56,261 was for Buildings and \$69,009 was for Machinery and Equipment. The main expenditures included:

### BUILDINGS:

- Mill Extension completed
- 1 Employee Residence (purchased)
- 1 Employee Residence renovated

### EQUIPMENT:

- 3 Worm Gear Drive Heads & Lifting Device (Mill Agitators)
- 1 C.G.E. Motor Control Centre (Mill)
- 1 6' x 9' C.A.C. Ball Mill & 150 H.P. Motor (used)
- 1 Dings Magnet (mill) (used)
- 2 Gilbraco Oil Burners (Plant Boiler) (used)
- 1 1966 International Truck Model 1700 C/W Hoist

### UNDERGROUND:

- 3 CIR JR 38 Stoppers and 1 CIR JR300 Rock Drill
- 1 CIR H5NN — 1 J Double Drum Air Slusher
- 2 Sigmund Pulsometer Mine Pumps Size TM 3/3 c/w 2 100 H.P. Westinghouse Motors

# COCHENOUR WILLANS GOLD MINES, LIMITED

## THE WILMAR EXPLORATION:

A continuous program of underground exploration has been conducted on the Wilmar property since 1959. Crosscutting, drifting and diamond drilling has been carried out on two levels the 1300 and the 2050. The 1300 level is an extension from Cochenour workings on this horizon and is therefore connected with the No. 1 Cochenour shaft. The 2050 level on the Wilmar was developed following the sinking of the Wilmar winze.

The work completed to date is set out below:

|                                    |              |
|------------------------------------|--------------|
| Crosscutting .....                 | 10,464 feet  |
| Drifting .....                     | 4,510 feet   |
| Raising .....                      | 1,493 feet   |
| Internal 4 Compartment Winze ..... | 816 feet     |
| Stations .....                     | 5            |
| Underground diamond drilling ..... | 127,491 feet |
| Surface diamond drilling .....     | 11,822 feet  |

## 1300 HORIZON:

During 1966 a total of 423 feet of raise advance was completed on the 1300 level to explore the mineralized zones exposed on this horizon. Drifting advance on the 1300 level amounted to 1,436 feet during the year. This advance completed the West Exploration Drift to the southwest corner of the property. Subsequent diamond drilling encountered several interesting geological situations, but failed to locate any gold values of economic interest.

The only feature of economic interest to date in the West Exploration Drift is the large mineralized granodiorite-talc schist complex. Scattered gold and silver values have been encountered in drift exposures and in a number of diamond drill holes which tested the zone. The zone is outlined along a strike length of over 600 feet and its width varies from 120 to 30 feet, averaging around 80 feet. The vertical extent of the zone has not been defined. Drill holes drilled to vertical distances of 75 feet above and below the drift level remained in structure at the end of the holes. From the present information an estimate only can be made regarding grade. The majority of the zone is estimated to carry 0.10 to 0.15 ounces gold per ton, but a few diamond drill intersections appear higher grade. This complex has considerable potential as a large tonnage low grade structure and additional diamond drilling is warranted.

## 2050 HORIZON:

Four mineralized zones were tested on this horizon, but only the No. 3 East Breccia zone proved continuity of values. A raise driven on this structure advanced a raise distance of 215 feet, placing the face of the raise at a position 150 feet vertically above the 2050 drift level. This position coincides with the station back elevation of the 1900 foot level in the Wilmar winze. Gold bearing mineralization was continuous for the total length of the raise. All raise muck was carefully sampled and averaged 0.788 oz. gold per ton (assays cut to 2.00 oz. Gold).

The No. 3 East Breccia zone is estimated to contain 50,000 tons plus grading 0.40 ounces gold per ton, between the 2050 and 1900 level horizons.

To continue the exploration of the Wilmar property and in particular to develop the No. 3 East Breccia zone up dip, a program of drifting, diamond drilling and raising is recommended. Diamond drilling conducted from the top of the raise encountered good values at the 1900 foot horizon and in holes up to 30 feet above the raise. The original down drilling from the 1300 foot horizon in the vicinity of the No. 3 Breccia zone encountered mineralization from 30 to 100 feet above the 1900 horizon.

The results of all the work on the Wilmar to date, indicate the following zones:

### 1300 LEVEL:

Nos. 1, 2 and 3 Carbonate Zones and Nos. 1, 2 and 3 Breccia Zones with a total tonnage potential of 1,400 tons per vertical foot grading 0.28 ounces gold per ton with an estimated silver content of 1.72 ounces silver per ton.

# COCHENOUR WILLANS GOLD MINES, LIMITED

## **1300 LEVEL:**

Fault Dyke Zone (East) 500 tons per vertical foot grading 0.11 to 0.15 oz. gold per ton.

Granodiorite-Talc Schist Zone (West) 2,000 tons plus per vertical foot grading 0.10 to 0.15 gold per ton.

## **2050 LEVEL:**

No. 3 East Breccia Zone — 350 tons plus per vertical foot averaging 0.40 ounces gold per ton.

Preparations have been completed to drive on the 1900 foot horizon to explore the No. 3 East Breccia zone up dip and other possible zones in the area. Plans to undertake this development work are held up due to the shortage of miners.

## **THE CONSOLIDATED MARCUS EXPLORATION:**

The exploration program on Marcus during 1966 was limited to a surface diamond drilling program of 2,005 feet and an underground drilling program of 2,899 feet.

The surface program was comprised of five drill holes in a cross section pattern in the northeast section of the property. Only narrow low grade gold values were returned.

The underground program was conducted in the northeast section from the 1300 level exploration drift. Narrow sections of arsenopyrite and visible gold were encountered in one area, but continuity was lacking.

Exploration to date on the Marcus from the 1300 level has not proven up any potential ore zones. The presence of arsenopyrite gold mineralization, similar to that of the adjoining producing mines on the east and west boundaries, is however encouraging, and given the right structural conditions can still prove ore-making situations.

Further work on the property has been suspended pending a complete geological study of all information now available, when further surface exploration and a depth drilling program from the 1300 level drift will be given serious consideration.

## **OUTSIDE EXPLORATION:**

### **Cochenour Explorations Limited:**

The only activity of Cochenour Explorations Limited during the year 1966 has been base metal exploration in the Red Lake mining division. In an area extending some 35 miles in length and up to 6 miles in width along and including Red Lake, a horizontal-loop ground electro-magnetic survey and diamond drilling program has been conducted, initiated on the strength of some base metal showings and favourable aerial E.M. results.

Results of diamond drilling have shown that all drill holes intersected massive to disseminated pyrite, pyrrhotite and/or graphite with widths of 2 feet to 100 feet containing copper, zinc and nickel values, but nothing of economic interest.

The geophysical work on this project is nearly complete and the 1967 season will concentrate on diamond drilling. Initially, in choosing targets it is logical to investigate those anomalies which correlate with strong structural features. The information gained in the exploration to date provides separate justification for each future drill hole and we believe some of the more promising targets have yet to be drilled. Not too infrequently the later stages of an exploration program can be the most important.

### **Fisher Syndicate:**

Your company continued to participate in this prospecting and exploration syndicate which is centering its work in the Province of Saskatchewan. Nothing of economic importance was found during the prospecting season of 1966. We will continue to participate in this syndicate in 1967.

### **Other Exploration:**

We participated in an airborne geophysical project in Northwestern Ontario. Cochenour will provide a prospecting party to investigate the favourable areas indicated from this survey, during the 1967 season.



# COCHENOUR WILLANS GOLD MINES, LIMITED

## **Bamaji Lake Molybdenite Prospect:**

In late summer Cochenour in partnership with Coin Lake Gold Mines optioned a group of claims in the Bamaji Lake area. The Molybdenite showing as exposed by numerous trenches, show quartz veins 2 feet to 5 feet in width, well mineralized with molybdenite ( $\text{MoS}_2$ ), with values varying from 0.5% to 2.0% ( $\text{MoS}_2$ ). Due to overburden, further trenching proved ineffective and diamond drilling was resorted to, to evaluate this deposit. Results from drilling indicated the granite host rock carried only 0.01% Molybdenite and the quartz veins did not occur in sufficient frequency and grade to make the whole mass economic. In view of the final results, it was decided to drop this option.

## **Bamaji Lake Gold-Silver Prospect:**

This group was optioned by Cochenour/Coin in late summer and some diamond drilling carried out on the main showing as well as limited prospecting before the camp was closed for freeze-up. The main showing did not stand up, but prospecting turned up several new showings with high grade grab samples. This large group will be further prospected during the 1967 season.

## **CONCLUSION:**

The problems of the past year have been exceptionally difficult, exerting great pressure on the staff and employees. With the mine under control again and most of the nightmarish challenges which continued to hound us overcome, the mine staff and I believe that the operations are on their way back to an economic operation. Many of the unforeseen costs which developed in establishing ground control in the stoping areas, are behind us, and while speed and efficiency has to be attained to a greater degree, our efforts are now concentrated on these points, and real progress is apparent. Drastic cuts in staff and reorganization of departments have been undertaken to reduce costs. A timber cage-car has been built in the shops which will effect time saving in the handling and moving of timber materials.

During the past two years the heavy expansion of industry across Canada, coupled with greatly accelerated construction activity caused an exceptionally heavy demand on the inadequate manpower pool of the nation. The resource industries in the frontier areas of the country have therefore been seriously affected through a loss of their skilled tradesmen to fill this manpower vacuum. At the same time the Department of Manpower has not been able to supply the unskilled personnel who are capable of being trained as replacements. It has now become apparent that the situation continues to be critical and can only be alleviated by a change in the present immigration policy of the Government.

Your company continues to have success with the utilization of Reservation Indians in mining and various other plant work. Approximately 20 percent of the total personnel is made up of these workmen. Having provided good housing for all employees has been a decided benefit in the present labour situation.

In conclusion, it is a pleasure to record my appreciation to Mr. John D. Jeffries, the Mine Manager, his Department Heads and Employees for their untiring efforts and good work under especially trying conditions.

For the continued confidence and support of the Chairman of the Board and the Board of Directors, I express my thanks.

Respectfully submitted,

J. E. J. FAHLGREN,

*General Manager.*

Cochenour, Ontario,

April 27th, 1967.

# Annco Mines Limited

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## AUDITORS' REPORT

To the Shareholders of  
Annco Mines Limited

We have examined the balance sheet of Annco Mines Limited as at December 31, 1966 and the statements of income, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants.

Toronto, Canada,  
March 28, 1967.

# Annco Mines Limited

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet — December 31, 1966

(with comparative figures for 1965)

| ASSETS  |  | 1966              | 1965              |
|---|--|-------------------|-------------------|
| CURRENT ASSETS:   |  |                   |                   |
| Cash  |  | \$ 1,952          | \$ 4,772          |
| Short-term note receivable and accrued interest   |  |                   | 35,012            |
| Estimated Emergency Gold Mining Assistance receivable   |  | 158,156           |                   |
|   |  | 160,108           | 39,784            |
| Investment in shares of Wilmar Mines Limited, at cost   |  | 92,914            |                   |
| Mining claims acquired by the issue of 1,166,663 shares of the capital stock of the company valued at |  | 58,333            | 58,333            |
| Deferred development  |  | 545,064           | 545,064           |
| Less amortization   |  | 143,194           | 28,592            |
|   |  | 401,870           | 516,472           |
|   |  | <u>\$ 713,225</u> | <u>\$ 614,589</u> |
| LIABILITIES   |  |                   |                   |
| CURRENT LIABILITIES:  |  |                   |                   |
| Accounts payable and accrued liabilities  |  | \$ 2,342          | \$ 580            |
| Payable to parent company, Cochenour Willans Gold Mines, Limited                                      |  | 345,930           | 9,832             |
|   |  | 348,272           | 10,412            |
| SHAREHOLDERS' EQUITY  |  |                   |                   |
| CAPITAL STOCK (see note):   |  |                   |                   |
| Authorized, 3,000,000 shares of \$1 each  |  |                   |                   |
| Issued, 2,906,668 shares (2,659,168 shares in 1965)   |  | 2,906,668         | 2,659,168         |
| Deduct discount thereon   |  | 2,192,330         | 2,068,580         |
|   |  | 714,338           | 590,588           |
| Retained earnings (deficit)   |  | (349,385)         | 13,589            |
|   |  | 364,953           | 604,177           |
|   |  | <u>\$ 713,225</u> | <u>\$ 614,589</u> |

The accompanying note is an integral part of this statement.

Approved by the Board of Directors:

E. C. COCHENOUR, Director.

JOHN R. MOONEY, Director.



# Annco Mines Limited

## *Statement of Income*

Year ended December 31, 1966  
(with comparative figures for 1965)

|   | 1966         | 1965       |
|---|--------------|------------|
| REVENUE:  |              |            |
| Bullion production .....                                | \$ 581,670   | \$ 196,264 |
| OPERATING EXPENSES:                                     |              |            |
| Development .....                                       | 142,925      |            |
| Mining .....  | 443,219      | 58,565     |
| Milling .....   | 144,332      | 30,497     |
| Shipping and marketing .....                            | 4,590        | 1,462      |
| Mine general .....                                      | 101,015      | 23,014     |
| Administrative .....                                    | 5,801        | 3,293      |
| Directors' fees .....                                   | 625          | 825        |
|   | 842,507      | 117,656    |
| Deduct estimated Emergency Gold Mining Assistance ..... | 158,156      |            |
|   | 684,351      | 117,656    |
|   | (102,681)    | 78,608     |
| OTHER INCOME:   |              |            |
| Interest .....  | 1,775        | 238        |
|   | (100,906)    | 78,846     |
| OTHER EXPENSES:   |              |            |
| Charge from parent company for use of plant .....       | 147,466      | 35,185     |
| Amortization of deferred development .....              | 114,602      | 28,592     |
|   | 262,068      | 63,777     |
| Net income (loss) for year .....                        | \$ (362,974) | \$ 15,069  |

## *Statement of Deficit*

Year ended December 31, 1966

|   |            |
|---|------------|
| Loss for year .....                                 | \$ 362,974 |
| Deduct retained earnings at beginning of year ..... | 13,589     |
| Deficit at end of year .....                        | \$ 349,385 |

# Annco Mines Limited

## *Statement of Source and Application of Funds*

Year ended December 31, 1966

(with comparative figures for 1965)

| SOURCE OF FUNDS:   | 1966               | 1965            |
|--|--------------------|-----------------|
| By operations:   |                    |                 |
| Net income for year .....  |                    | \$ 15,069       |
| Add amortization of deferred development which does not involve an outlay of funds ..... |                    | 28,592          |
|  |                    | <hr/> 43,661    |
| Proceeds from sale of capital stock .....  | \$ 123,750         | 21,250          |
|  | <hr/> 123,750      | <hr/> 64,911    |
| APPLICATION OF FUNDS:  |                    |                 |
| To operations:   |                    |                 |
| Loss for year .....  | 362,974            |                 |
| Deduct amortization of deferred development .....  | 114,602            |                 |
|  | <hr/> 248,372      |                 |
| Deferred development, cash expenditure .....   |                    | 43,044          |
| Investment in Wilmar Mines Limited .....   | 92,914             |                 |
|  | <hr/> 341,286      | <hr/> 43,044    |
| Increase (decrease) in working capital .....   | (217,536)          | 21,867          |
| Working capital at beginning of year .....   | 29,372             | 7,505           |
|  | <hr/> \$ (188,164) | <hr/> \$ 29,372 |
| Working capital (deficiency) at end of year .....  |                    |                 |
| Current assets .....   | \$ 160,108         | \$ 39,784       |
| Current liabilities .....  | 348,272            | 10,412          |
|  | <hr/> \$ (188,164) | <hr/> \$ 29,372 |

## *Note to Financial Statements*

Year ended December 31, 1966

### CAPITAL STOCK

| Shares issued are as follows:      | No. of<br>shares and<br>par value | Discount          | Net              |
|------------------------------------|-----------------------------------|-------------------|------------------|
| Balance at beginning of year ..... | \$2,659,168                       | \$2,068,580       | \$ 590,588       |
| Issued during year for cash .....  | 247,500                           | 123,750           | 123,750          |
|                                    | <hr/> \$2,906,668                 | <hr/> \$2,192,330 | <hr/> \$ 714,338 |

As at December 31, 1966 Martin-McNeely Mines Limited, under the terms of certain agreements, had options to subscribe for 93,332 shares of the company at \$1 per share.

# Wilmar Mines Limited

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## AUDITORS' REPORT

To the Shareholders of  
Wilmar Mines Limited

We have examined the balance sheet of Wilmar Mines Limited as at December 31, 1966 and the statement of deferred expenditures for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants.

Toronto, Canada,  
March 28, 1967.



# Wilmar Mines Limited

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet — December 31, 1966

### ASSETS

#### CURRENT ASSETS:

|            |    |        |
|------------|----|--------|
| Cash ..... | \$ | 20,462 |
|------------|----|--------|

#### FIXED ASSETS:

|   |    |        |        |
|---|----|--------|--------|
| Equipment, at cost .....  | \$ | 10,284 |        |
| Mining claims, acquired by the issue of 1,000,000 shares of capital stock of the company valued at \$100,000 less claims sold ..... |    | 42,974 | 53,258 |

#### OTHER ASSETS:

|   |           |                    |
|---|-----------|--------------------|
| Deferred expenditures .....                   | 1,360,630 |                    |
| Incorporation and organization expenses ..... | 3,596     | 1,364,226          |
|   |           | <u>\$1,437,946</u> |

### LIABILITIES

#### CURRENT LIABILITIES:

|  |    |        |            |
|--|----|--------|------------|
| Accounts payable and accrued liabilities ..... | \$ | 580    |            |
| Advances from shareholders:                    |    |        |            |
| Cochenour Willans Gold Mines, Limited .....    |    | 84,035 |            |
| Martin-McNeely Mines Limited .....             |    | 20,000 | \$ 104,615 |

### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK (see note):

|   |           |                    |  |
|---|-----------|--------------------|--|
| Auhorized, 3,000,000 shares of 95¢ each |           |                    |  |
| Issued, 3,000,000 shares .....          | 2,850,000 |                    |  |
| Deduct discount thereon (net) .....     | 1,516,669 | 1,333,331          |  |
|   |           | <u>\$1,437,946</u> |  |

The accompanying note is an integral part of this statement.

Approved by the Board of Directors:

E. C. COCHENOUR, Director.

JOHN R. MOONEY, Director.

# Wilmar Mines Limited

## *Statement of Deferred Expenditures*

Year ended December 31, 1966

|  |           |                    |
|--|-----------|--------------------|
| Deferred expenditures at beginning of year ..... |           | \$1,167,740        |
| EXPLORATION AND DEVELOPMENT:                     |           |                    |
| Diamond drilling .....                           | \$ 15,435 |                    |
| Drifting, raising and crosscutting .....         | 173,437   | 188,872            |
|  |           | <hr/>              |
| ADMINISTRATIVE:                                  |           |                    |
| Audit .....                                      | 250       |                    |
| Directors' fees .....                            | 625       |                    |
| Legal fees and expenses .....                    | 310       |                    |
| Office and administrative services .....         | 2,400     |                    |
| Taxes and government fees .....                  | 182       |                    |
| Transfer agent's fees and expenses .....         | 251       | 4,018              |
|  |           | <hr/>              |
| Deferred expenditures at end of year .....       |           | <u>\$1,360,630</u> |

## *Note to Financial Statements*

Year ended December 31, 1966

### CAPITAL STOCK

|   | No. of<br>shares | Par<br>value       | Discount<br>(premium) |
|---|------------------|--------------------|-----------------------|
| Shares issued are as follows:                           |                  |                    |                       |
| Balance at beginning of year .....                      | 2,901,717        | \$2,756,631        | \$1,546,153           |
| Less shares to be issued in 1966 included therein ..... | 34,048           | 32,346             | (10,214)              |
|   | <hr/> 2,867,669  | <hr/> 2,724,285    | <hr/> 1,556,367       |
| Issued during year:                                     |                  |                    |                       |
| For 1965 expenditures .....                             | 34,048           | 32,346             | (10,214)              |
| For 1966 expenditures .....                             | 45,952           | 43,654             | (13,785)              |
| For cash .....  | 52,331           | 49,715             | (15,699)              |
|   | <hr/> 132,331    | <hr/> 125,715      | <hr/> (39,698)        |
| Balance at end of year .....                            | <u>3,000,000</u> | <u>\$2,850,000</u> | <u>\$1,516,669</u>    |

# Consolidated Marcus Gold Mines Limited

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## AUDITORS' REPORT

To the Shareholders of  
Consolidated Marcus Gold Mines Limited

We have examined the balance sheet of Consolidated Marcus Gold Mines Limited as at December 31, 1966 and the statement of deferred expenditures for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants.

Toronto, Canada,  
March 28, 1967.



# Consolidated Marcus Gold Mines Limited

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet — December 31, 1966

### ASSETS

#### CURRENT ASSETS:

|  |    |         |
|--|----|---------|
| Cash .....   | \$ | 139     |
| Mining claims, acquired by the issue of 2,999,995 shares of the capital stock of the company valued at ..... |    | 299,999 |

#### OTHER ASSETS:

|   |    |         |                   |
|---|----|---------|-------------------|
| Deferred expenditures .....                   | \$ | 110,072 |                   |
| Incorporation and organization expenses ..... |    | 3,795   | 113,867           |
|   |    |         | <u>\$ 414,005</u> |

### LIABILITIES

#### CURRENT LIABILITIES:

|  |    |       |               |
|--|----|-------|---------------|
| Accounts payable and accrued liabilities .....   | \$ | 198   |               |
| Payable to Cochenour Willans Gold Mines, Limited with respect to incorporation and organization of the company and transfer of the mining claims .....                         |    | 4,539 | \$ 4,737      |
| Funds advanced or expended by Cochenour Willans Gold Mines, Limited since the inception of the company for exploration, development and administrative expenses (note 1) ..... |    |       | 28,701        |
|  |    |       | <u>33,438</u> |

### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK (note 2):

|  |  |           |                   |
|--|--|-----------|-------------------|
| Authorized, 4,000,000 shares of \$1 each ..... |  |           |                   |
| Issued or to be issued, 3,094,272 shares ..... |  | 3,094,272 |                   |
| Deduct discount thereon .....                  |  | 2,713,705 | 380,567           |
|  |  |           | <u>\$ 414,005</u> |

The accompanying notes are an integral part of this statement.

Approved by the Board of Directors:

E. C. COCHENOUR, Director.

FRED J. MILLS, Director.

# Consolidated Marcus Gold Mines Limited

## *Statement of Deferred Expenditures*

Year ended December 31, 1966

|  |       |                   |
|--|-------|-------------------|
| Deferred expenditures at beginning of year ..... |       | \$ 85,417         |
| EXPLORATION AND DEVELOPMENT:                     |       |                   |
| Diamond drilling .....                           |       | 22,953            |
| ADMINISTRATIVE:                                  |       |                   |
| Acreage and municipal taxes .....                | \$291 |                   |
| Annual report .....                              | 412   |                   |
| Audit .....                                      | 150   |                   |
| Directors' fees .....                            | 195   |                   |
| Legal fees .....                                 | 28    |                   |
| Stock exchange fees .....                        | 100   |                   |
| Taxes and government fees .....                  | 30    |                   |
| Transfer agents' fees and expenses .....         | 496   | 1,702             |
| Deferred expenditures at end of year .....       |       | <u>\$ 110,072</u> |

# Consolidated Marcus Gold Mines Limited

## *Notes to Financial Statements*

Year ended December 31, 1966

1. Funds advanced or expended by Cochenour Willans Gold Mines, Limited:

Under the terms of the agreement whereby the company acquired its mining claims, as amended August 15, 1961, 1,999,995 escrowed shares of the capital stock of the company were issued to Cochenour Willans Gold Mines, Limited, of which 1,750,000 shares have been released from escrow and the remaining 249,995 shares are to be released when Cochenour Willans Gold Mines, Limited has caused the company to bring the mining claims into production. The company also agreed to repay to Cochenour Willans Gold Mines, Limited, after the mining claims have been brought into production and before payment of any dividends, certain moneys expended by Cochenour Willans Gold Mines, Limited, and all moneys advanced by it, together with simple interest thereon at the rate of 4% per annum to the date of payment. At December 31, 1966 such expenditures and advances amounted to \$70,500 of which \$41,799 has not been provided for in the accompanying balance sheet.

2. Capital Stock:

Shares issued or to be issued are as follows:

|   | No. of shares<br>and<br>par value | Discount           | Net               |
|---|-----------------------------------|--------------------|-------------------|
| Balance at beginning of year .....                      | \$3,057,610                       | \$2,699,996        | \$ 357,614        |
| Less shares to be issued in 1966 included therein ..... | 7,610                             |                    | 7,610             |
|   | <u>3,050,000</u>                  | <u>2,699,996</u>   | <u>350,004</u>    |
| Issued during year:                                     |                                   |                    |                   |
| For 1965 expenditures .....                             | 7,610                             |                    | 7,610             |
| For 1966 expenditures .....                             | 2,390                             |                    | 2,390             |
|   | <u>10,000</u>                     |                    | <u>10,000</u>     |
| To be issued for 1966 expenditures .....                | 34,272                            | 13,709             | 20,563            |
| Balance at end of year .....                            | <u>\$3,094,272</u>                | <u>\$2,713,705</u> | <u>\$ 380,567</u> |

Under the terms of an agreement dated January 17, 1966 Cochenour Willans Gold Mines, Limited is committed to expend \$25,020 on prospecting, exploration and development within approximately one year for which it is to receive 41,700 shares of the company valued at 60¢ per share. As at December 31, 1966 Cochenour Willans Gold Mines, Limited had expended \$20,563 and was entitled to receive 34,272 shares.



# Cochenour Explorations Limited

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## AUDITORS' REPORT

To the Shareholders of  
Cochenour Explorations Limited

We have examined the balance sheet of Cochenour Explorations Limited as at December 31, 1966 and the statements of deferred exploration expenditures, deficit and administration expenditures for the period from January 17, 1966, the date of incorporation, to December 31, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the period then ended, in accordance with generally accepted accounting principles.

THORNE, MULHOLLAND, HOWSON & McPHERSON,  
Chartered Accountants.

Toronto, Canada,  
March 28, 1967.

# Cochenour Explorations Limited

(Incorporated as a private company under the laws of the Province of Ontario)

## Balance Sheet — December 31, 1966

### ASSETS

#### CURRENT ASSETS:

|   |           |           |
|---|-----------|-----------|
| Cash .....  | \$ 15,157 |           |
| Receivable from parent company, Cochenour Willans Gold Mines, Limited ..... | 1,913     | \$ 17,070 |

#### FIXED ASSETS:

|  |         |                   |
|--|---------|-------------------|
| Equipment, at cost .....   | 3,745   |                   |
| Mining claims, acquired for 249,994 shares of capital stock valued at \$249,994 and \$1,000 cash ..... | 250,994 | 254,739           |
| Deferred exploration expenditures .....  |         | 219,262           |
|  |         | <u>\$ 491,071</u> |

### LIABILITIES

#### CURRENT LIABILITIES:

|  |        |
|--|--------|
| Accounts payable and accrued liabilities ..... | \$ 577 |
|--|--------|

### SHAREHOLDERS' EQUITY

#### CAPITAL STOCK:

|   |           |                   |
|---|-----------|-------------------|
| Authorized and issued at par,<br>500,000 shares of \$1 par value each |           |                   |
| For cash .....  | \$ 50,006 |                   |
| For mining claims .....   | 249,994   |                   |
| For exploration expenditures .....                                    | 200,000   |                   |
|   | 500,000   |                   |
| Deficit .....   | 9,506     | 490,494           |
|   |           | <u>\$ 491,071</u> |

# Cochenour Explorations Limited

## *Statement of Deferred Exploration Expenditures*

Period from January 17, 1966, the date of incorporation, to December 31, 1966

|  |                   |
|--|-------------------|
| Staking and linecutting .....                                    | \$ 24,931         |
| Geophysical surveys .....  | 33,450            |
| Government fees and taxes .....                                  | 176               |
| Engineers', geologists' and consultants' fees and expenses ..... | 30,406            |
| Diamond drilling .....   | 79,720            |
| Assays .....   | 1,093             |
| General exploration .....  | 49,486            |
| Deferred exploration expenditures at end of period .....         | <u>\$ 219,262</u> |

## *Statement of Deficit*

Period from January 17, 1966, the date of incorporation, to December 31, 1966

|   |                 |
|---|-----------------|
| Incorporation and organization expenses written off ..... | \$ 1,016        |
| Cost of options abandoned during period .....             | 6,500           |
| Administration expenditures .....                         | 1,990           |
| Deficit at end of period .....                            | <u>\$ 9,506</u> |

## *Statement of Administration Expenditures*

Period from January 17, 1966, the date of incorporation, to December 31, 1966

|  |                 |
|--|-----------------|
| Audit .....  | \$ 300          |
| Legal fees and expenses .....                            | 897             |
| Miscellaneous .....                                      | 63              |
| Government fees and taxes .....                          | 130             |
| Travel .....   | 600             |
| Administration expenditures transferred to deficit ..... | <u>\$ 1,990</u> |













